

**CITY OF HORTON, KANSAS**

**Financial Statements**

**For the Year Ended December 31, 2017**

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CITY OF HORTON, KANSAS  
Financial Statements  
For the Year Ended December 31, 2017

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MIZE HOUSER  
COMPANY P.A.

## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Horton, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the municipal financial reporting entity of the City of Horton, Kansas, (the City), as of and for the year ended December 31, 2017 and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1 of the financial statement, the financial statement is prepared by the City to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

## *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### *Other Matters*

#### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget, the schedule of regulatory basis receipts, expenditures, and unencumbered cash-private purpose trust funds, and the schedule of regulatory basis receipts and expenditures-related municipal entity (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated July 26, 2017. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv/>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The 2016 comparative information was subjected to auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statements or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly presented in all material respects in relation to the 2016 basic financial statements as a whole, on the basis of accounting described in Note 1.

*Mike Houser: Company PA*

Certified Public Accountants  
Lawrence, Kansas

July 10, 2018

CITY OF HORTON, KANSAS  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2017

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Adjustment</u>	<u>Unencumbered Cash Balance Restated</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:								
General Fund	\$ 16,131	\$ -	\$ 16,131	\$ 1,414,811	\$ 1,382,834	\$ 48,108	\$ 1,992	\$ 50,100
Special Purpose Funds:								
Industrial Fund	736	-	736	3,224	-	3,960	-	3,960
Special Highway Fund	118,940	-	118,940	45,626	-	164,566	-	164,566
Equipment Reserve Fund	22,385	-	22,385	2,000	-	24,385	-	24,385
Public Building Reserve Fund	6,196	-	6,196	800	-	6,996	-	6,996
State Grant Fund	478,247	-	478,247	32,393	176,432	334,208	-	334,208
Court Diversion Fund	9,776	-	9,776	2,140	-	11,916	-	11,916
Energy Efficiency Fund	3,026	-	3,026	581	588	3,019	-	3,019
911 Wireless Fund	9,208	-	9,208	4,027	-	13,235	-	13,235
Reinvent Horton Fund	-	-	-	-	-	-	-	-
Sales Tax Revenue Fund	142,904	-	142,904	206,817	154,213	195,508	-	195,508
Capital Project Funds:								
Pool Project Fund	1,509,548	-	1,509,548	-	915,212	594,336	320,387	914,723
Capital Improvement - Crime Prevention Fund	523	-	523	803	415	911	-	911
Bond and Interest Fund:								
Bond and Interest Fund	10,618	-	10,618	17,355	18,712	9,261	-	9,261
Business Funds:								
Water Fund	244,943	-	244,943	414,660	414,258	245,345	[10,078]	235,267
Sewer Fund	51,654	-	51,654	468,615	417,104	103,165	1	103,166
Electric Fund	1,468,657	-	1,468,657	1,704,274	1,745,320	1,427,611	10,081	1,437,692
Solid Waste Fund	20,103	-	20,103	111,981	107,844	24,240	-	24,240
Private-Purpose Trust Funds	8,210	-	8,210	514	71	8,653	-	8,653
Total Primary Government	4,121,805	-	4,121,805	4,430,621	5,333,003	3,219,423	322,383	3,541,806
Related Municipal Entity:								
Horton Free Public Library	65,003	-	65,003	81,579	79,478	67,104	-	67,104
Total Reporting Entity (Excluding Agency Funds)	\$ 4,186,808	\$ -	\$ 4,186,808	\$ 4,512,200	\$ 5,412,481	\$ 3,286,527	\$ 322,383	\$ 3,608,910

COMPOSITION OF CASH:

Horton National Bank:	
Checking	\$ 3,212,466
Certificates of Deposit	2,428
Savings	1,421
Checking - Library	16,809
Savings - Library	16,504
Union State Bank:	
Certificates of Deposit	100,000
Savings - Library	33,790
Pony Express Community Bank:	
Checking	25,492
Certificates of Deposit	200,000
Total Cash	<u>\$ 3,608,910</u>

CITY OF HORTON, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Horton (the City) is a municipal corporation governed by an elected five-member commission. These financial statements present the City of Horton (the municipality) and its related municipal entity. The related municipal entity is included in the city's reporting entity because they were established to benefit the city and its constituents.

The Horton Free Public Library (Library) serves the citizens within the City's jurisdiction. Acquisition or disposition of real property by the Library must be approved by the City. Bond issues must be approved by the City.

*Related Municipal Entity not included:*

The Housing Authority of the City of Horton (Housing Authority) operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Financial statements for the Housing Authority may be obtained at the Housing Authority of the City of Horton, 1701 Euclid Avenue, Horton, Kansas.

Basis of Accounting

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2017:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

CITY OF HORTON, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the City (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the City).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended December 31, 2017 was not amended.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds and the following special purpose funds: State Grant, Energy Efficiency, Reinvent Horton, and Sales Tax Revenue funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.



CITY OF HORTON, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 2 – Deposits

*Deposits.* K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

*Investments.* K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State Statutes require the City deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated peak periods and all deposits were adequately secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$3,541,806 and the bank balance was \$3,616,780. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$575,492 was covered by federal depository insurance and the balance of \$3,041,288 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2017, the Library's carrying amount of deposits was \$67,104 and the bank balance was \$71,368. The bank balance was held by two banks resulting in a concentration of credit risk. The Library's entire bank balance was covered by federal depository insurance.

*Custodial credit risk – investment.* For an investment, this is the risk that, in event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investment to be adequately secured.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate, or custodial credit risks beyond state statutes.

NOTE 3 – Retirement Plans

*Plan Description.* The City participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at [www.kpers.org](http://www.kpers.org) by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. KPERs has multiple benefit structures and contribution rates depending on whether the employee is a KPERs 1, KPERs 2 or KPERs 3 member. KPERs 1 members are active and contributing members hired before July 1, 2009. KPERs 2 members were first employed in a covered position on or after July 1, 2009, and KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate at 6% of covered salary for KPERs 1, KPERs 2 and KPERs 3 members. Member contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

CITY OF HORTON, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 3 – Retirement Plans (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate with a 0% moratorium from the period of January 1, 2017, through September 30, 2017, for the Death and Disability Program) and the statutory contribution rate 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$62,536 for the year ended December 31, 2017. Contributions to the pension plan from the Library were \$2,537 for the year ended December 31, 2017.

*Net Pension Liability.* At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$614,174 and the Library's share was \$21,828. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's and Library's proportion of the net pension liability was based on the ratio of the City's and Library's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report, including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the KPERS website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

NOTE 4 - Compensated Absences

The City allows certain employees to carryover some of their unused vacation days from one year to the next. These are paid upon termination or retirement if not used. The amount of vacation pay available for use at December 31, 2017, is \$28,183.

NOTE 5 - Related Party Transactions

During the year ended December 31, 2017, the City paid \$1,442 to a company owned by a city commissioner for police department supplies. Also during the year, the City paid \$478 to a company owned by the mayor for supplies. Also during the year, the City paid \$8,000 for emergency medical services to a company where a city commissioner is employed. The City also paid \$12,754 to a company owned by a city commissioner's family member for hauling and trucking services during the year.

NOTE 6 – Lease Agreement

The City, the lessor, entered into a lease agreement with Tri-County Manor Living Center, Inc. on May 1, 2007 for the lease of the manor facility. The lease termination date is March 1, 2023, and requires monthly lease payments of \$1,400 beginning on May 1, 2008 and continuing thereafter until the aggregate amount paid totals \$250,000. Tri-County Manor Living Center, Inc. has the option to purchase the facility upon payment in full of the lease payments totaling \$250,000.

CITY OF HORTON, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

**NOTE 7 - Long-Term Debt**

Following is a detailed listing of the City's long term debt:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Amount Outstanding</u>
Paid by Taxes:					
2010 Fire Truck General Obligation Bond	3/25/2010	3/25/2020	4.00%	\$ 151,400	\$ 51,800
2016-A Sales Tax Revenue Bond	11/3/2016	5/1/2037	2.00 to 4.00%	1,765,000	1,765,000
Paid by Utility Fees:					
2005-A Improvements	5/3/2005	12/1/2020	3.00 to 4.25%	300,000	75,000
2009 Electric Utility System Revenue Bond	10/22/2009	10/1/2022	2.25-4.20%	1,620,000	690,000
2011 Public Water Supply General Obligation Bond	6/28/2011	6/28/2051	3.25%	4,123,000	3,123,167
2013 Sewer Improvements General Obligation Bond	9/27/2013	7/27/2053	2.13%	2,955,000	2,758,402
2015 Sewer Improvements General Obligation Bond	5/27/2015	5/27/2055	2.13%	3,375,000	3,265,089
2015 Electric Utility System Revenue Bond	7/27/2015	10/1/2030	3.50 to 4.00%	490,000	440,000
Total				<u>\$ 14,779,400</u>	<u>\$ 12,168,458</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 247,681	\$ 342,847
2019	292,721	335,918
2020	372,775	328,323
2021	824,448	316,333
2022	439,143	286,603
2023-2027	1,590,625	1,275,140
2028-2032	1,758,283	1,018,834
2033-2037	1,890,450	746,966
2038-2042	1,495,029	507,888
2043-2047	1,700,366	302,549
2048-2052	1,086,067	119,519
2053-2055	470,870	17,823
Total	<u>\$ 12,168,458</u>	<u>\$ 5,598,743</u>

CITY OF HORTON, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 7 - Long-Term Debt (Continued)

Following is a summary of changes in long-term debt for the year ended December 31, 2017:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Revenue Bonds	\$ 3,045,000	-	\$ 150,000	\$ 2,895,000	\$ 112,401
General Obligation Bonds	<u>9,481,312</u>	<u>-</u>	<u>207,854</u>	<u>9,273,458</u>	<u>240,692</u>
Total	<u>\$ 12,526,312</u>	<u>\$ -</u>	<u>\$ 357,854</u>	<u>\$ 12,168,458</u>	<u>\$ 353,092</u>

NOTE 8 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of loss with the exception of loss from damage to or destruction of the electrical distribution system, including related lost regulatory receipts. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

NOTE 9 - Interfund Transfers

A reconciliation of operating transfers by fund type for 2017 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Electric	General	\$ 240,000	K.S.A. 12-825d
Sales Tax Revenue	General	77,640	Accounting correction
State Grant	General	38,404	Commission resolution
State Grant	Sewer	71,113	Commission resolution
Water	General	22,500	K.S.A. 12-825d
General	Bond and Interest	4,700	Bond covenant
General	Equipment Reserve	2,000	K.S.A. 12-1,117
General	Public Building Reserve	800	K.S.A. 12-1,118
Solid Waste	General	<u>5,000</u>	K.S.A. 12-825d
		<u>\$ 462,157</u>	

CITY OF HORTON, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2017

NOTE 10 - Revenue Bond Requirements

The City's electric revenue bond covenants require certain reservations and rate coverage. The reserved portions are as follows:

Reserved for revenue bond principal and interest	\$ 9,235
Reserved for depreciation and repair	<u>160,000</u>
Total reservation as required by bond covenants	<u>\$ 169,235</u>

Rate coverage met bond covenant requirements.

NOTE 11 - Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

NOTE 12 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2017.

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CITY OF HORTON, KANSAS  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:					
General	\$ 1,537,452	\$ -	\$ 1,537,452	\$ 1,382,834	\$ 154,618
Special Purpose Funds:					
Industrial	4,200	-	4,200	-	4,200
Special Highway	150,000	-	150,000	-	150,000
Equipment Reserve	16,000	-	16,000	-	16,000
Public Building Reserve	3,400	-	3,400	-	3,400
Court Diversion	8,000	-	8,000	-	8,000
911 Wireless	-	-	-	-	-
Bond and Interest Fund:					
Bond and Interest	19,512	-	19,512	18,712	800
Enterprise Funds:					
Water	425,931	-	425,931	414,258	11,673
Sewer	458,896	-	458,896	417,104	41,792
Electric	2,072,728	-	2,072,728	1,745,320	327,408
Solid Waste	108,000	-	108,000	107,844	156

CITY OF HORTON, KANSAS  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 803,484	\$ 721,195	\$ 840,332	\$ [119,137]
Intergovernmental	19,730	19,702	19,800	[98]
Franchise tax	30,581	35,610	44,500	[8,890]
Licenses	15,148	16,305	770	15,535
Fines and fees	57,315	74,242	95,375	[21,133]
Interest	7,174	6,007	8,815	[2,808]
Use of property	36,910	36,353	23,930	12,423
Charges for services	61,629	56,277	120,833	[64,556]
Grants	24,194	33,996	-	33,996
Transfer in	270,000	383,544	270,000	113,544
Miscellaneous	82,169	31,580	22,000	9,580
Total Receipts	<u>1,408,334</u>	<u>1,414,811</u>	<u>\$ 1,446,355</u>	<u>\$ [31,544]</u>
Expenditures				
General Government				
Personnel	68,582	73,818	\$ 301,238	\$ 227,420
Contractual services	63,056	64,274	59,000	[5,274]
Commodities	8,755	10,994	24,450	13,456
Capital outlay	1,715	4,550	15,800	11,250
Miscellaneous	11,021	12,137	-	[12,137]
Law Enforcement				
Personnel	264,192	251,446	268,715	17,269
Contractual services	28,747	29,338	27,904	[1,434]
Commodities	46,397	55,902	44,636	[11,266]
Capital outlay	33,229	11,475	26,000	14,525
Debt service	-	-	1,800	1,800
Parks and Recreation				
Personnel	1,426	-	-	-
Contractual services	49,897	41,151	41,170	19
Commodities	21,488	39,493	40,750	1,257
Capital outlay	17,150	17,465	7,406	[10,059]
Streets				
Personnel	105,068	109,728	115,422	5,694
Contractual services	25,826	28,083	30,000	1,917
Commodities	42,798	37,306	45,600	8,294
Capital outlay	4,489	9,200	26,000	16,800
Library				
Contractual services	50,600	52,000	57,100	5,100
Capital outlay	5,100	5,100	-	[5,100]

See independent auditor's report on the financial statements.



CITY OF HORTON, KANSAS  
General Fund (Continued)  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cemetery	\$ 24,713	\$ 19,807	\$ 21,820	\$ 2,013
Airport	2,820	9,411	2,800	[6,611]
Firing Range				
Contractual services	747	880	2,500	1,620
Commodities	872	698	-	[698]
Pool				
Personnel	-	-	36,292	36,292
Contractual services	100	901	3,573	2,672
Commodities	-	-	10,791	10,791
Communications				
Personnel	149,285	144,489	140,430	[4,059]
Contractual services	10,404	11,001	29,080	18,079
Commodities	12,708	14,283	15,338	1,055
Capital outlay	-	-	1,100	1,100
Court				
Personnel	14,967	21,909	19,683	[2,226]
Contractual services	17,728	29,297	29,480	183
Commodities	8,959	13,402	11,210	[2,192]
Capital outlay	550	-	-	-
Fire Department				
Personnel	10,110	8,935	38,100	29,165
Contractual services	11,601	14,802	-	[14,802]
Commodities	3,616	6,831	-	[6,831]
Community Building				
Personnel	1,852	1,039	15,082	14,043
Contractual services	5,788	4,895	-	[4,895]
Commodities	2,744	1,933	-	[1,933]
Armory Building				
Contractual services	8,018	8,768	8,800	32
Employee benefits	158,881	193,097	-	[193,097]
Building demolition	930	9,007	10,000	993
Transfer out	19,800	7,500	2,000	[5,500]
Debt service	45,309	6,489	6,382	[107]
Total Expenditures	<u>1,362,038</u>	<u>1,382,834</u>	<u>\$ 1,537,452</u>	<u>\$ 154,618</u>
Receipts Over [Under] Expenditures	<u>46,296</u>	<u>31,977</u>		
Unencumbered Cash, Beginning	49,837	16,131		
Prior Period Adjustment	<u>[80,002]</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>[30,165]</u>	<u>16,131</u>		
Unencumbered Cash, Ending	<u>\$ 16,131</u>	<u>\$ 48,108</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Industrial Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 109	\$ 3,224	\$ 3,554	\$ [330]
Total Receipts	<u>109</u>	<u>3,224</u>	<u>\$ 3,554</u>	<u>\$ [330]</u>
Expenditures				
Contractual services	-	-	\$ 4,200	\$ 4,200
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 4,200</u>	<u>\$ 4,200</u>
Receipts Over [Under] Expenditures	109	3,224		
Unencumbered Cash, Beginning	<u>627</u>	<u>736</u>		
Unencumbered Cash, Ending	<u>\$ 736</u>	<u>\$ 3,960</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Special Highway Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 45,807	\$ 45,626	\$ 44,950	\$ 676
Miscellaneous	9,078	-	45,000	[45,000]
Total Receipts	<u>54,885</u>	<u>45,626</u>	<u>\$ 89,950</u>	<u>\$ [44,324]</u>
Expenditures				
Contractual services	<u>42,282</u>	-	\$ 150,000	\$ 150,000
Total Expenditures	<u>42,282</u>	-	<u>\$ 150,000</u>	<u>\$ 150,000</u>
Receipts Over [Under] Expenditures	12,603	45,626		
Unencumbered Cash, Beginning	<u>106,337</u>	<u>118,940</u>		
Unencumbered Cash, Ending	<u>\$ 118,940</u>	<u>\$ 164,566</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
 Equipment Reserve Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2017  
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfer in	\$ 2,000	\$ 2,000	\$ 4,000	\$ [2,000]
Total Receipts	<u>2,000</u>	<u>2,000</u>	<u>\$ 4,000</u>	<u>\$ [2,000]</u>
Expenditures				
Commodities	-	-	\$ 16,000	\$ 16,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 16,000</u>	<u>\$ 16,000</u>
Receipts Over [Under] Expenditures	2,000	2,000		
Unencumbered Cash, Beginning	<u>20,385</u>	<u>22,385</u>		
Unencumbered Cash, Ending	<u>\$ 22,385</u>	<u>\$ 24,385</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Public Building Reserve Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Miscellaneous	\$ 400	\$ -	\$ -	\$ -
Transfer in	800	800	1,600	[800]
Total Receipts	<u>1,200</u>	<u>800</u>	<u>\$ 1,600</u>	<u>\$ [800]</u>
Expenditures				
Commodities	-	-	\$ 3,400	\$ 3,400
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 3,400</u>	<u>\$ 3,400</u>
Receipts Over [Under] Expenditures	1,200	800		
Unencumbered Cash, Beginning	<u>4,996</u>	<u>6,196</u>		
Unencumbered Cash, Ending	<u>\$ 6,196</u>	<u>\$ 6,996</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
State Grant Fund  
Schedule of Receipts and Expenditures - Actual\*  
Regulatory Basis  
For the Year Ended December 31, 2017 and 2016

	Year Ended December 31,	
	<u>2016</u>	<u>2017</u>
Receipts		
Grants	\$ 336,625	\$ 4,936
Repayment of loans	233,847	27,457
Transfer in	225,416	-
Total Receipts	<u>795,888</u>	<u>32,393</u>
Expenditures		
Contractual	348,136	41,746
Commodities	24,993	25,169
Transfer out	490,004	109,517
Total Expenditures	<u>863,133</u>	<u>176,432</u>
Receipts Over [Under] Expenditures	[67,245]	[144,039]
Unencumbered Cash, Beginning	<u>545,492</u>	<u>478,247</u>
Unencumbered Cash, Ending	<u>\$ 478,247</u>	<u>\$ 334,208</u>

\* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS  
 Court Diversion Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2017  
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 2,150	\$ 2,140	\$ 2,200	\$ [60]
Total Receipts	<u>2,150</u>	<u>2,140</u>	<u>\$ 2,200</u>	<u>\$ [60]</u>
Expenditures				
Contractual	<u>1,417</u>	<u>-</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Total Expenditures	<u>1,417</u>	<u>-</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Receipts Over [Under] Expenditures	733	2,140		
Unencumbered Cash, Beginning	<u>9,043</u>	<u>9,776</u>		
Unencumbered Cash, Ending	<u>\$ 9,776</u>	<u>\$ 11,916</u>		

CITY OF HORTON, KANSAS  
 Energy Efficiency Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Year Ended December 31, 2017 and 2016

	Year Ended December 31,	
	<u>2016</u>	<u>2017</u>
Receipts		
Grants	\$ 581	\$ 581
Transfer in	<u>3,000</u>	<u>-</u>
Total Receipts	<u>3,581</u>	<u>581</u>
Expenditures		
Contractual	<u>588</u>	<u>588</u>
Total Expenditures	<u>588</u>	<u>588</u>
Receipts Over [Under] Expenditures	2,993	[7]
Unencumbered Cash, Beginning	<u>33</u>	<u>3,026</u>
Unencumbered Cash, Ending	<u>\$ 3,026</u>	<u>\$ 3,019</u>

\* This fund is not required to be budgeted.



CITY OF HORTON, KANSAS  
 911 Wireless Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2017  
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
911 Fees	\$ 4,147	\$ 4,027	\$ 4,110	\$ [83]
Total Receipts	<u>4,147</u>	<u>4,027</u>	<u>\$ 4,110</u>	<u>\$ [83]</u>
Expenditures				
Contractual	-	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	4,147	4,027		
Unencumbered Cash, Beginning	<u>5,061</u>	<u>9,208</u>		
Unencumbered Cash, Ending	<u>\$ 9,208</u>	<u>\$ 13,235</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
 Reinvent Horton Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Year Ended December 31, 2017 and 2016

	Year Ended December 31,	
	<u>2016</u>	<u>2017</u>
Receipts		
Charges for services	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Contractual	40,139	-
Total Expenditures	40,139	-
Receipts Over [Under] Expenditures	[40,139]	-
Unencumbered Cash, Beginning	40,139	-
Unencumbered Cash, Ending	\$ -	\$ -

\* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS  
Sales Tax Revenue Fund  
Schedule of Receipts and Expenditures - Actual\*  
Regulatory Basis  
For the Year Ended December 31, 2017 and 2016

	Year Ended December 31,	
	<u>2016</u>	<u>2017</u>
Receipts		
Taxes	\$ -	\$ 206,817
Bond proceeds	<u>184,500</u>	<u>-</u>
Total Receipts	<u>184,500</u>	<u>206,817</u>
Expenditures		
Contractual	41,596	14,520
Interest	-	62,053
Transfer out	<u>-</u>	<u>77,640</u>
Total Expenditures	<u>41,596</u>	<u>154,213</u>
Receipts Over [Under] Expenditures	142,904	52,604
Unencumbered Cash, Beginning	<u>-</u>	<u>142,904</u>
Unencumbered Cash, Ending	<u>\$ 142,904</u>	<u>\$ 195,508</u>

\* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS  
 Pool Project Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Year Ended December 31, 2017 and 2016

	Year Ended December 31,	
	<u>2016</u>	<u>2017</u>
Receipts		
Bond proceeds	\$ 1,613,041	\$ -
Total Receipts	<u>1,613,041</u>	<u>-</u>
Expenditures		
Capital outlay	<u>103,493</u>	<u>915,212</u>
Total Expenditures	<u>103,493</u>	<u>915,212</u>
Receipts Over [Under] Expenditures	1,509,548	[915,212]
Unencumbered Cash, Beginning	<u>-</u>	<u>1,509,548</u>
Unencumbered Cash, Ending	<u>\$ 1,509,548</u>	<u>\$ 594,336</u>

\* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS  
 Capital Improvement - Crime Prevention Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Year Ended December 31, 2017 and 2016

	Year Ended December 31,	
	<u>2016</u>	<u>2017</u>
Receipts		
Donations	\$ 523	\$ 803
Total Receipts	<u>523</u>	<u>803</u>
Expenditures		
Contractual	-	415
Total Expenditures	<u>-</u>	<u>415</u>
Receipts Over [Under] Expenditures	523	388
Unencumbered Cash, Beginning	-	523
Unencumbered Cash, Ending	<u>\$ 523</u>	<u>\$ 911</u>

\* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS  
 Bond and Interest Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2017  
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 12,628	\$ 12,655	\$ 13,831	\$ [1,176]
Transfers in	14,000	4,700	1,000	3,700
Total Receipts	<u>26,628</u>	<u>17,355</u>	<u>\$ 14,831</u>	<u>\$ 2,524</u>
Expenditures				
Principal	15,300	16,000	\$ 16,000	\$ -
Interest	3,324	2,712	2,712	-
Miscellaneous	-	-	800	800
Total Expenditures	<u>18,624</u>	<u>18,712</u>	<u>\$ 19,512</u>	<u>\$ 800</u>
Receipts Over [Under] Expenditures	8,004	[1,357]		
Unencumbered Cash, Beginning	<u>2,614</u>	<u>10,618</u>		
Unencumbered Cash, Ending	<u>\$ 10,618</u>	<u>\$ 9,261</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Water Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 411,560	\$ 414,634	\$ 426,108	\$ [11,474]
Miscellaneous	<u>2,356</u>	<u>26</u>	<u>5,000</u>	<u>[4,974]</u>
Total Receipts	<u>413,916</u>	<u>414,660</u>	<u>\$ 431,108</u>	<u>\$ [16,448]</u>
Expenditures				
Personnel	204,084	126,717	\$ 137,069	\$ 10,352
Contractual	84,202	79,709	45,150	[34,559]
Commodities	24,002	19,549	42,396	22,847
Capital outlay	150	1,700	10,000	8,300
Debt service	164,083	164,083	165,816	1,733
Transfer out	25,000	22,500	25,000	2,500
Miscellaneous	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
Total Expenditures	<u>501,521</u>	<u>414,258</u>	<u>\$ 425,931</u>	<u>\$ 11,673</u>
Receipts Over [Under] Expenditures	<u>[87,605]</u>	<u>402</u>		
Unencumbered Cash, Beginning	325,537	244,943		
Prior Period Adjustment	<u>7,011</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>332,548</u>	<u>244,943</u>		
Unencumbered Cash, Ending	<u>\$ 244,943</u>	<u>\$ 245,345</u>		

CITY OF HORTON, KANSAS  
Sewer Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Charges for services	\$ 395,288	\$ 392,966	\$ 420,000	\$ [27,034]
Miscellaneous	1,770	4,536	5,000	[464]
Transfer in	-	71,113	-	71,113
Total Receipts	<u>397,058</u>	<u>468,615</u>	<u>\$ 425,000</u>	<u>\$ 43,615</u>
Expenditures				
Personnel	128,653	102,867	\$ 136,499	\$ 33,632
Contractual	72,973	38,239	32,000	[6,239]
Commodities	24,209	11,132	19,146	8,014
Capital outlay	150	4,520	5,000	480
Debt service	223,147	260,346	265,751	5,405
Miscellaneous	-	-	500	500
Total Expenditures	<u>449,132</u>	<u>417,104</u>	<u>\$ 458,896</u>	<u>\$ 41,792</u>
Receipts Over [Under] Expenditures	<u>[52,074]</u>	<u>51,511</u>		
Unencumbered Cash, Beginning	89,866	51,654		
Prior Period Adjustment	<u>13,862</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>103,728</u>	<u>51,654</u>		
Unencumbered Cash, Ending	<u>\$ 51,654</u>	<u>\$ 103,165</u>		

See independent auditor's report on the financial statements.



CITY OF HORTON, KANSAS  
Electric Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 1,727,339	\$ 1,704,274	\$ 1,722,939	\$ [18,665]
Transfer in	490,004	-	-	-
Total Receipts	<u>2,217,343</u>	<u>1,704,274</u>	<u>\$ 1,722,939</u>	<u>\$ [18,665]</u>
Expenditures				
Personnel	139,654	232,138	\$ 184,079	\$ [48,059]
Contractual	198,982	96,029	75,260	[20,769]
Commodities	1,016,913	975,105	1,340,925	365,820
Capital outlay	150	1,700	15,000	13,300
Debt service	208,525	200,348	216,764	16,416
Transfer out	465,416	240,000	240,000	-
Miscellaneous	-	-	700	700
Total Expenditures	<u>2,029,640</u>	<u>1,745,320</u>	<u>\$ 2,072,728</u>	<u>\$ 327,408</u>
Receipts Over [Under] Expenditures	<u>187,703</u>	<u>[41,046]</u>		
Unencumbered Cash, Beginning	1,261,252	1,468,657		
Prior Period Adjustment	<u>19,702</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>1,280,954</u>	<u>1,468,657</u>		
Unencumbered Cash, Ending	<u>\$ 1,468,657</u>	<u>\$ 1,427,611</u>		

CITY OF HORTON, KANSAS  
Solid Waste Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2017  
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 111,292	\$ 111,981	\$ 115,748	\$ [3,767]
Total Receipts	<u>111,292</u>	<u>111,981</u>	<u>\$ 115,748</u>	<u>\$ [3,767]</u>
Expenditures				
Contractual	102,670	102,844	\$ 103,000	\$ 156
Transfer out	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>107,670</u>	<u>107,844</u>	<u>\$ 108,000</u>	<u>\$ 156</u>
Receipts Over [Under] Expenditures	3,622	4,137		
Unencumbered Cash, Beginning	<u>16,481</u>	<u>20,103</u>		
Unencumbered Cash, Ending	<u>\$ 20,103</u>	<u>\$ 24,240</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Private-Purpose Trust Funds  
Schedule of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2017

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Schneider Poor	\$ 2,428	\$ -	\$ -	\$ 2,428	\$ -	\$ 2,428
Heart of Horton	1,588	-	47	1,541	-	1,541
Restricted Donation (Cemetery Trees)	2,779	505	24	3,260	-	3,260
Cemetery Memorial	<u>1,415</u>	<u>9</u>	<u>-</u>	<u>1,424</u>	<u>-</u>	<u>1,424</u>
Total Private-Purpose Trust Fund	<u>\$ 8,210</u>	<u>\$ 514</u>	<u>\$ 71</u>	<u>\$ 8,653</u>	<u>\$ -</u>	<u>\$ 8,653</u>

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Horton Free Public Library - Related Municipal Entity  
Schedule of Receipts and Expenditures - Actual\*  
Regulatory Basis  
For the Year Ended December 31, 2017

Receipts	
State of Kansas	\$ 898
Northeast Kansas Library System	15,922
City appropriation	57,100
Interest	189
Fines and fees	1,822
Donations	1,164
Miscellaneous	<u>4,484</u>
Total Receipts	<u>81,579</u>
Expenditures	
Personal service	52,130
Contractual	16,268
Capital outlay	3,516
Commodities	<u>7,564</u>
Total Expenditures	<u>79,478</u>
Receipts Over [Under] Expenditures	2,101
Unencumbered Cash, Beginning	<u>65,003</u>
Unencumbered Cash, Ending	<u>\$ 67,104</u>

\* This fund is not required to be budgeted.